

111TH CONGRESS
1ST SESSION

H. R. 2034

To permit refinancing of certain loans under the Rural Housing Service program for guaranteed loans for rural housing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2009

Mr. CLAY (for himself, Mr. FRANK of Massachusetts, Ms. WATERS, Mr. HINOJOSA, Mr. GUTIERREZ, Mr. MEEKS of New York, and Mr. HODES) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To permit refinancing of certain loans under the Rural Housing Service program for guaranteed loans for rural housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Homeowners
5 Protection Act of 2009”.

6 **SEC. 2. SINGLE FAMILY HOUSING LOAN GUARANTEE PRO-**
7 **GRAM.**

8 Subsection (h) of section 502 of the Housing Act of
9 1949 (42 U.S.C. 1472(h)) is amended—

1 (1) in paragraph (5)(A), by striking “paragraph
2 (13)” and inserting “paragraph (15)”;

3 (2) in paragraph (8), by striking “1 percent”
4 and inserting “2 percent”;

5 (3) in paragraph (9), by striking “REFI-
6 NANCING” and inserting “MODIFICATION OF GUAR-
7 ANTEED LOANS”;

8 (4) in paragraph (14)—

9 (A) by striking “GUARANTEES FOR REFI-
10 NANCING LOANS” and inserting “REFINANCING
11 OF LOANS MADE OR GUARANTEED BY SEC-
12 RETARY”; and

13 (B) in subparagraph (E)—

14 (i) by striking “(10)” and inserting
15 “(12)”; and

16 (ii) by striking “(13)” and inserting
17 “(9) or of paragraphs (11) through (14)”;

18 (5) by redesignating paragraphs (10), (11),
19 (12), (13), and (14) as paragraphs (12), (13), (14),
20 (15), and (10), respectively;

21 (6) by transferring and inserting paragraph
22 (10), as so redesignated by paragraph (5) of this
23 subsection, after paragraph (9); and

(7) by inserting after paragraph (10), as so redesignated and transferred by paragraphs (5) and (6) of this subsection, the following new paragraph:

“(11) REFINANCING OF LOANS MADE BY PRIVATE SECTOR LENDERS.—

“(A) AUTHORITY.—The Secretary may, in accordance with this paragraph, guarantee a loan made to refinance a loan made by a private lender to an individual to acquire or construct a single-family residence.

“(B) ELIGIBILITY.—Except as provided in subparagraph (C), all requirements of this subsection shall apply to loans guaranteed and loan guarantees made under this paragraph.

“(C) GUARANTEE FEE.—Notwithstanding paragraph (8), the Secretary shall charge a guarantee fee with respect to loans guaranteed under this paragraph at levels necessary, but no higher than needed, to allow such class of loans to be guaranteed without resulting in a need for an appropriation for a credit subsidy.”.

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